

## ***Prepaying: What you should receive***

- ♦ A General Price List with the Funeral Director prior to any discussion about fees.
- ♦ A Casket Price list
- ♦ An Outer Burial Container price list if the Deceased is to be buried
- ♦ An Itemized Statement and Pre-Need Agreement
- ♦ A signed copy of the Pre-Need Trust Contract or Life Insurance contract
- ♦ A copy of the deposit slip within 30 days, if establishing a pre-need trust. This money must be deposited into an FDIC insured account.
- ♦ A copy of the Certificate of Insurance, if using a life insurance contract. This should be sent to you immediately upon receipt of the approved insurance contract
- ♦ A copy of the deposit slip every time you make additional deposits to your pre-need account
- ♦ An annual 1099 tax form

## ***The Board of Morticians and Funeral Directors' mission***

The mission of the Board of Morticians and Funeral Directors is to protect the citizens of Maryland and to promote quality funeral service practices in the field of Mortuary Science by:

- ♦ Licensing qualified morticians, funeral directors, surviving spouses, apprentices, and funeral establishments
- ♦ Receiving and resolving complaints from the public
- ♦ Setting standards for the practice of mortuary science that reflect new and emergent developments in the practice of mortuary science through regulations and legislation



STATE OF MARYLAND

**DHMH**

Maryland Department of Health and Mental Hygiene  
4201 Patterson Avenue • Baltimore, Maryland 21215


Marion V. Malley, Governor • Anthony G. Bismack, Lt. Governor • James M. E. Williams, Secretary

Maryland Board of Morticians and Funeral Directors  
4201 Patterson Avenue  
Room 116  
Baltimore, Maryland 21215  
Phone: 410-764-4792  
Fax: 410-358-6571  
E-mail: [lcox@dnhm.state.md.us](mailto:lcox@dnhm.state.md.us)  
Website: [www.dnhm.state.md.us/bom](http://www.dnhm.state.md.us/bom)

## **Maryland Board of Morticians and Funeral Directors**

***What you should know about***

### ***Advance Funeral Planning and Pre-Need Contracts***



***A brochure to assist  
consumers purchasing  
pre-need funeral  
arrangements***



## ***Preplanning***

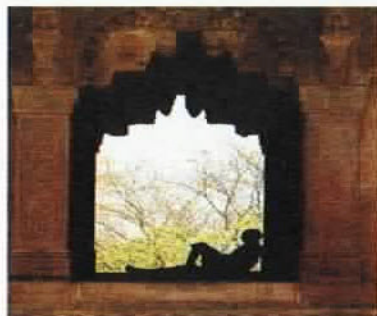
In recent years, many people have decided to arrange their own funeral or that of a loved one prior to death. They have chosen in advance what kind of funeral they want and what services they prefer. Funeral merchandise has been selected, music and flowers have been selected, and the order of the service has been prepared.

## ***How to pre-pay***

There are two methods of funding funeral pre-needs:

1. Trust-funded pre-need contracts
2. Insurance-funded pre-need contracts

If a consumer is prefunding a funeral, Maryland law states that only a licensed Mortician, Funeral Director, or Surviving Spouse may prearrange funerals. These licensed professionals must give you a General Price List which details the prices of all funeral goods or services available at their funeral home. The consumer will decide on specific services and will receive an Itemized Statement and Pre-Need Arrangement which has been agreed to and signed by both the buyer and the seller.



## ***What is guaranteed?***

A guaranteed pre-need price contract means that the funeral home accepts the pre-need contract as payment in full for services and merchandise that were chosen prior to death. Therefore, your survivors do not have to pay additional money for your funeral service or merchandise at the time of death. However, there are some items that the funeral home has no control over. These are called *cash advance items*.

### **Cash Advance items typically are not guaranteed.**

Cash advance items are fees charged by the funeral home for goods and services that the funeral home buys from outside vendors on your behalf, including obituary notices, death certificates, flowers, pallbearers, musicians, clergy offerings, religious services and airfare that transfers the deceased from one funeral home to another funeral home. Cemetery services or crematory services, cemetery perpetual care fees and monument or memorial markers may also be cash advance items. The price of cash advance items will be affected by inflation.

If the pre-need contract is changed at the time of death by a survivor; perhaps by their choice of different services or merchandise than those services you originally chose, the guaranteed contract is null and void. The survivor of the estate will be required to pay current prices on all services. Also, if the contract has not been paid in full prior to death, the contract is not guaranteed.

## ***Revocable and Irrevocable Contracts***

There are two kinds of pre-need contracts: revocable and irrevocable contracts. Maryland law states that a buyer whose pre-need contract is set up as a trust may withdraw their money at no charge from the funeral home. The revocable contract allows the buyer to cancel the contract and get a full refund plus interest, or the buyer may transfer the contract to another funeral home.

If a preneed contract is funded through life insurance, the buyer will have a free-look period during which the buyer can cancel the policy.

An irrevocable contract allows the buyer to protect assets when qualifying for a public assistance program such as Medical Assistance or SSI. The irrevocable contract cannot be cancelled. The buyer may not withdraw the trust principle and interest. However, the buyer may transfer his money from one funeral home to another funeral home, both in-state and out-of-state. Please note that a new pre-need contract must be executed at the new funeral home.

